Government of Saskatchewan

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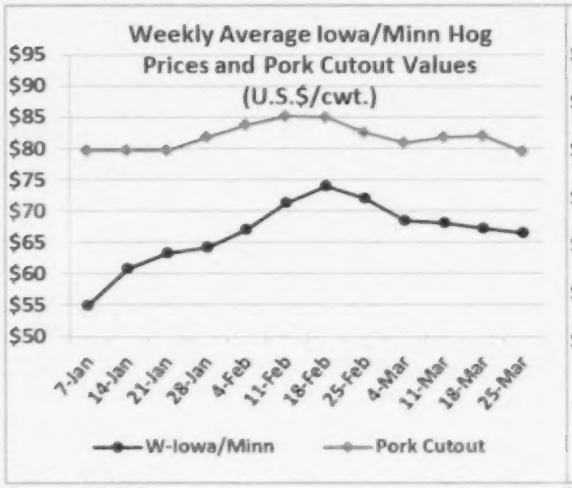
Weekly Hog Report

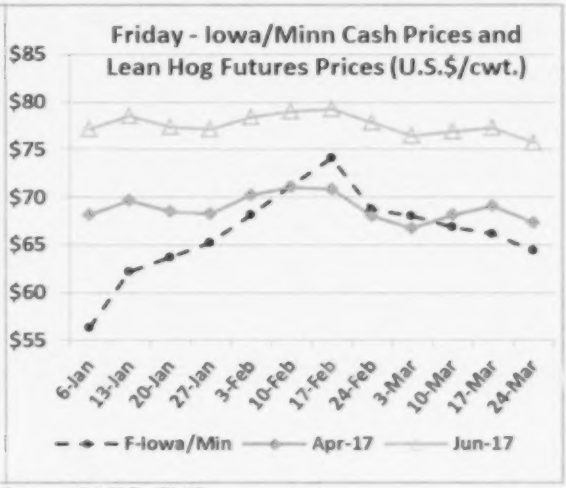
March 27, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were mixed but overall lower again last week. Hog prices on Friday March 24 averaged US$64.37 per cwt, down US$1.70 per cwt or 2.6 per cent from US$66.07 per cwt the previous Friday. The negotiated weekly base price last week averaged US$66.40 per cwt, down US$0.83 per cwt or 1.2 per cent from US$67.23 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

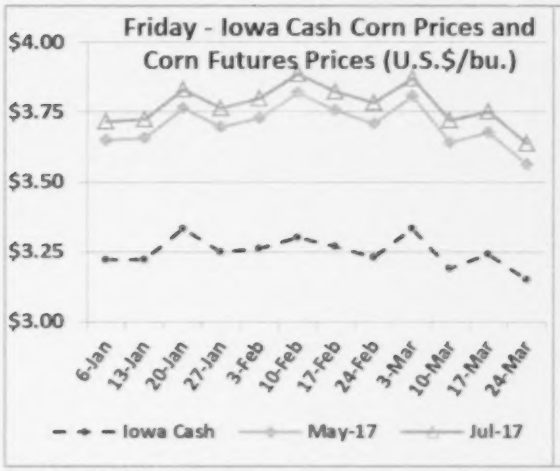
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday March 24, 2017 was $164.89 per ckg, down $2.90 per ckg or 1.7 per cent from $167.79 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $166.39 per ckg, down $2.82 per ckg or 1.7 per cent from the previous weeks' average price of $169.21 per ckg. The Canadian dollar edged lower from the previous week to settle Friday at 74.74 cents, down 0.24 cents from 74.98 cents the previous Friday.

Futures Markets

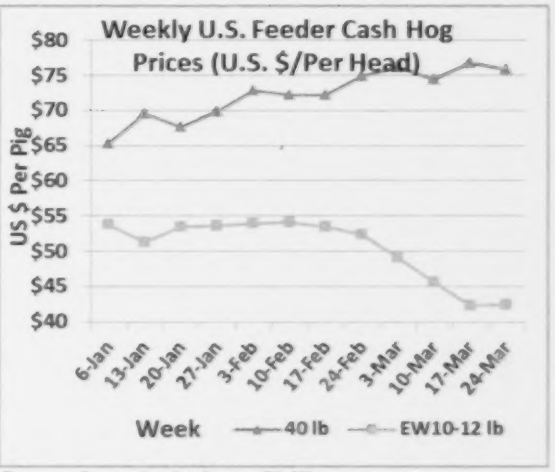
United States lean hog futures daily prices were mixed over the week with bigger losses Friday to end the week lower, week-over-week. The nearby April 2017 lean hog futures contract declined US$1.775 per cwt last week to settle Friday at US$67.275 per cwt; while the June 2017 lean hog futures contract declined US$1.575 per cwt to settle last Friday at US$75.750 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$42.48 per head, up slightly from US$42.36 per head the previous week. Feeders (40lb) averaged US$75.75 per head, down US$0.98 per head or 1.3 per cent from US$76.73 per head, the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices settled last Friday at US$3.15 per bushel, down nine cents from US$3.24 per bushel the previous Friday. Daily corn futures were primarily lower last week to push prices lower, week-over-week. The May corn contract declined 11¼ cents per bushel to settle Friday at US$3.56 ¼ per bushel; while the July contract declined 11¼ cents to settle Friday at US$3.63¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending March 25 were estimated at 2.313 million head, down 0.9 per cent from 2.335 million head the previous week, but up 6.8 per cent from 2.166 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.321 million head, up 5.3 per cent from 2.204 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending March 18, 2017 were estimated at 411,206 head, up 1.6 per cent from 404,626 head the previous week, but down 3.4 per cent from 425,533 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 413,609 head, down 0.8 per cent from 416,980 head over the same period a year ago. Year-to-date, for the first eleven weeks of 2017, Canadian hog slaughter numbers totaled 4,690,633 head, up 0.24 per cent from the same period a year ago. (Source: AAFC/CFIA)

In Western Canada, federal and provincial hog slaughter numbers for the four weeks ending March 18, 2017 averaged 168,839 head, down 2.0 per cent from 172,336 head over the same period a year ago. Year-to-date, Western Canadian hog slaughter numbers totaled 1,921,930 head in 2017, up 1.4 per cent from the same period a year ago.

Meat Production

U.S. pork production for the week ending March 25, 2017 was estimated at 491.2 million lb., down 0.9 per cent from 495.8 million lb. the previous week, but up 6.5 per cent from 461.4 million lb. the same week a year ago. Pork production over the last four week's ending March 25 was estimated to average 492.7 million lb., up 5.1 per cent from 468.8 million lb. over the same four week period a year ago.

U.S. beef production for the week ending March 25 was estimated at 501.5 million lb., up 4.2 per cent from 481.1 million lb. the previous week, and up 12.7 per cent from 445.0 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending March 18, 2017, was estimated to average 2.084 billion lb., up 3.4 per cent from 2.014 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 1.9 per cent compared to the same period in 2016.

United States Weekly Meat Production

(March 18) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	470.8	490.3	4.1%	2.0%
Beef	450.4	479.4	6.4%	4.7%
Chicken	966.9	979.1	1.3%	0.6%
Turkey	126.0	134.9	7.1%	1.5%
Total	**2,014.1**	**2,083.7**	**3.45%**	**1.90%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending March 25, 2017 averaged US$79.49 per cwt, down US$2.56 per cwt or 3.1 per cent from US$82.05 per cwt the previous week, but up 4.3 per cent from US$76.20 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending March 25, 2017 averaged US$223.12 per cwt over the week, up US$1.56 per cwt or 0.7 per cent from US$221.56 per cwt the previous week, and only down 1.5 per cent from US$226.62 per cwt the same week a year ago. Beef cutout values have been very strong since late February.

Average chicken cutout values (breast) for the week ending March 25, 2017 averaged US$127.43 per cwt, up US$2.60 per cwt from US$124.83 per cwt the previous week, and up 11.3 per cent from US$114.46 per cwt the same week a year ago. Chicken cutout values over the last five weeks have moved higher.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on March 22, 2017. The United States' pork stocks in cold storage totaled 572.0 million lb. on February 28, 2017, down 9.1 per cent from 628.9 million lb. on February 29, 2016, but up 9.1 per cent from 524.0 million lb. on January 31, 2017. U.S. pork stocks in cold storage for February 2017 were below the 12-year average and 12-year highs for February.

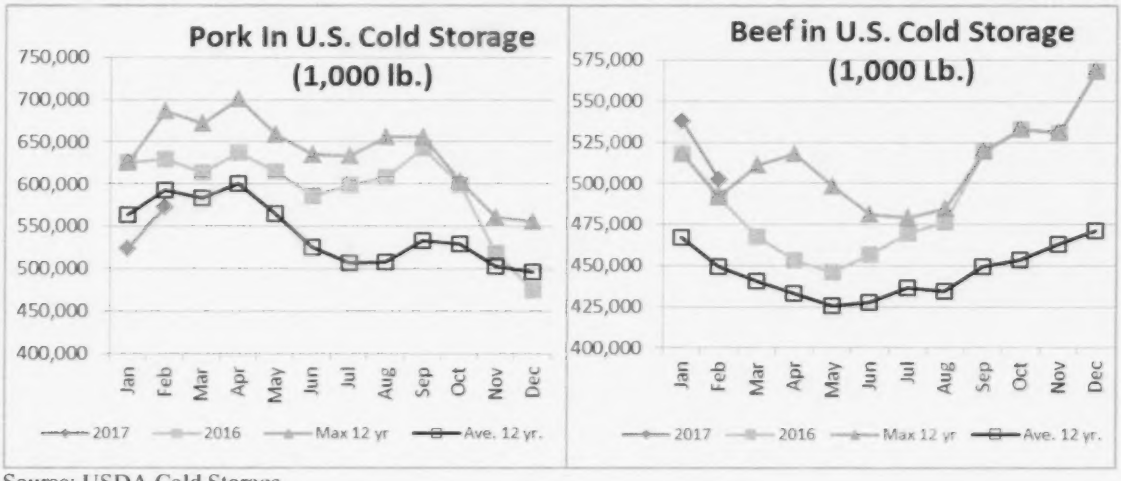
United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**29-Feb-2016**	**31-Jan-2017**	**28-Feb-2017**
Pork	628,948	524,034	571,966
Beef	506,360	537,930	502,429
Chicken	800,714	774,937	786,774
Turkey	341,094	339,240	378,471
Total Combined	**2,277,116**	**2,176,141**	**2,239,640**

Source: NASS

The U.S. beef stocks in cold storage totaled 502.4 million lb. on February 28, 2017, down 6.6 per cent from 537.9 million lb. on January 31, 2017, and down 0.8 per cent from 506.4 million lb. on February 29, 2016. Beef stocks in cold storage for February were above the 12-year average and 12-year highs for February, but below the all-time 12-year highs two months ago in December 2016.

Total pork, beef, chicken and turkey in cold storage on February 28, 2017 was at 2.240 billion lb., down 1.6 per cent from February 2016, but up 2.9 per cent from Jan. 31, 2017. U.S. meat in cold storage for February 28, 2017 was above the 12-year average but below previous February highs and the 12-year record highs established in September 2016.



Source: USDA Cold Storage

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